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*Security Warehousing Co. v. Hand*,<sup>2</sup> are well digested, and their effect made clear. In passing, it should be noted that the author commits the too common sin of out-of-the-State lawyers, of erroneously describing our highest Court. He calls it "The Circuit Court of Appeals of the State of New York."<sup>3</sup>

As a book for *Trustees* it is too long, too full of complicated and unsettled points of law, and too confusing to be "a safe guide." As a help to counsel for Trustees, it is good but incomplete. It supplements but does not supplant the standard text books. A few of the chapters are well written and show that the author is a good lawyer. Chapter XVII, "Proceeding by Summary Process," is excellent. As a text book for students it is inadequate. The reviewer would not add it to an office library in a busy law office in New York. It costs too much space for the real meat it contains. It does, however, contain real meat.

To a busy lawyer, who has a good working library at his office, and who wants everything on the bankruptcy law, this is a good book to keep in a home library for reference in the evening or over Sunday.

If the author is still tempted to publish a second edition, we suggest that he abandon all idea of making a *hand-book for Trustees*, cut out all duplication of paragraphs and complete the work as a *treatise on the entire law*. He can do it.

J. H. C.

THE MODERN LAW OF CORPORATIONS. By ARTHUR W. MACHEN, JR. Boston: LITTLE, BROWN & COMPANY. 1909. 2 volumes. pp. ccxxv, 1797.

This is a work of substantial merit and is to be ranked with the standard treatises, such as those of Mr. Taylor and Mr. Morawetz. It may be said that it is not so philosophical and scholarly as Mr. Taylor's treatise, but the full citation of authorities, with the author's comments thereon, furnishes ample material for the thinker and scholar. The practitioner, who still uses his Morawetz, published twenty-two years ago, will find this work, with its four thousand additional citations, an indispensable supplement, and the student of the present day will find it more suggestive and useful.

The author's purpose was not to cover precisely the same ground as his predecessors, or, as he states in his preface, to thresh over old straw, but to supplement the older treatises by presenting fully those aspects of the subject which have become important and have been involved in the prolific legislation of the last twenty years. He therefore courageously eliminated all consideration of the relations of corporations to the state or to the public, of foreign corporations, of winding up and dissolution of corporations, and of the rights of creditors as against directors and stockholders. These topics occupy more than three hundred and fifty pages of Mr. Morawetz' treatise, leaving about seven hundred and fifty pages for the other topics. Mr. Machen's book contains nearly seventeen hundred pages, of which about three hundred pages are devoted to bonds and mortgages, leaving nearly fourteen hundred pages to the topics which belong peculiarly to the law of corporations. The author is thus able to

<sup>2</sup>(1906) 143 Fed. 32.

<sup>3</sup>p. 281, note.

cover very fully and in detail the topics which he undertakes to discuss, and one cannot find anywhere a more satisfactory treatment of such subjects as the powers of corporations, *ultra vires* contracts, rights of stockholders, rights and liabilities of directors, by-laws, transfer of shares and promoters.

While the book is thus entitled in general to very hearty commendation, we find ourselves in disagreement with many of the author's conclusions. For instance, in the opinion of the author, there is a fundamental difference between a group of men incorporated under a special act, and a group of men incorporated under a general law, but to the writer this distinction seems fundamentally unsound. The courts can recognize a group of individuals as an entity only when permitted to do so by the legislature. Whether this permission is given by general law or special act cannot affect the nature of the corporate entity.

The author is of the opinion that a voting trust, if continued for an indefinite time, might violate the rule against perpetuities, but a voting trust, subject to cancellation at any time by unanimous vote of the parties interested, does not involve a future remote interest or the suspension of the power of alienation. Mr. Machen curiously enough gives very little consideration to the nature of a corporation, apparently assuming that every lawyer understands this; but both Mr. Taylor and Mr. Morawetz have in effect repudiated the entity theory as an out-worn fiction, and a clear grasp of the meaning of the doctrine that a corporation is a legal person distinct from its members is essential to an understanding of many important problems in the law of corporations. If the author had given more attention to the matter, he might not have so lightly assumed that the consent of all the stockholders to an *ultra vires* contract could not consistently with the entity theory have any legal effect.

G. F. C.

RATE REGULATION AS AFFECTED BY THE DISTRIBUTION OF GOVERNMENTAL POWERS IN THE CONSTITUTIONS. BY ROBERT P. REEDER. Philadelphia: T. & J. W. JOHNSON Co. 1909. pp. 44.

This reprint is of real importance for bringing to general attention a magazine article of unusual merit. The problem which it discusses is not yet finally settled; and therefore the position which it takes is well worth careful consideration, if for no other purpose than the clear definition of the issue involved. The author takes the position that in fixing rates, a railroad commission can go no farther than to give implicit obedience to statutory instructions. What the author fears is the delegation of legislative power to a Commission; he feels, therefore, that the legislation must sufficiently indicate the principle by which the rate shall be determined. His conclusion is that to give the Commission the power to fix reasonable rates is a full delegation of all the power which the legislature possesses. It will be obvious that this result seriously impairs effective regulation; for unless a wide scope can be granted to the Commission, it cannot deal satisfactorily with the great variety of actual cases. And indeed to this reviewer it seems that all the indications are that the Supreme Court will ultimately decide that it is within the proper conception of administrative power to intrust to a railroad commission the power to determine what shall be reasonable rates.

B. W.